NCA
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U.S. INTERNATIONAL AIR ACCORDS

ANNCR:

THE UNITED STATES AT PRESENT IS ARRANGING TO NEGOTIATE WITH TWENTY-SIX OTHER COUNTRIES TO EXPAND AIR SERVICE AND LOWER FARES ON A BI-LATERAL BASIS. VOA BUSINESS AND ECONOMICS EDITOR FRANK FEINBERG HAS THIS BACKGROUND REPORT:

VOICE:

THE CARTER ADMINISTRATION'S "OPEN SKIES" PLAN SEEKS TO ENCOURAGE MORE COMPETITION IN INTERNATIONAL AIR TRAVEL, WITH THE IMMEDIATE GOALS OF BETTER SERVICE TO MORE CITIES AT CHEAPER RATES. IN RECENT WEEKS THE UNITED STATES HAS REACHED TENTATIVE AGREEMENTS WITH THE NETHERLANDS AND ISRAEL. AND TALKS NOW ARE IN PROGRESS WITH WEST GERMANY, JAPAN, THE REPUBLIC OF KOREA AND BRITAIN ON LIBERALIZING AND EXPANDING EXISTING AIR AGREEMENTS.

THE CARTER ADMINISTRATION BELIEVES THAT THROUGH NEW BILATERAL AIR SERVICES AGREEMENTS WITH OTHER COUNTRIES, A FAR GREATER NUMBER OF TOURISTS WILL HAVE THE OPPORTUNITY TO TRAVEL AT FARES THEY CAN AFFORD. BILATERAL AGREEMENTS, ACCORDING TO TRANSPORTATION SECRETARY BROCK ADAMS, WILL ENCOURAGE PRICE COMPETITION AND MAKE LOWER-COST CHARTER SERVICE AVAILABLE TO MANY MORE CITIES FOR THE FIRST TIME.

THE SECRETARY HAS TOLD THE CONGRESS THAT ALREADY BECAUSE OF PRICE COMPETITION, AVAILABLE RESERVED-SEAT FARES BETWEEN SOME MAJOR U.S. AND EUROPEAN CITIES HAVE FALLEN AS MUCH AS THIRTY-NINE PERCENT. HE SAYS THE "OPEN SKIES" PRINCIPLE WOULD DO MUCH TO ELIMINATE EXISTING REGULATIONS AND RESTRICTIONS THAT KEEP PASSENGER FARES ARTIFICIALLY HIGH, OR THAT PROTECT ANTI-COMPETITIVE MARKETS.

THE SENATE COMMERCE COMMITTEE IS CONSIDERING THE CARTER ADMINISTRATION'S PROPOSALS TO OPEN NEW MARKETS IN INTERNATIONAL AIR TRAVEL. COMMITTEE CHAIRMAN HOWARD CANNON SAYS HE FAVORS THE GOALS OF THE WHITE HOUSE POLICY, BUT HE WANTS MORE CONGRESSIONAL DELIBERATIONS BEFORE ACCORDS ARE NEGOTIATED. TO ILLUSTRATE, THE SENATOR SAYS THAT STANDARDS MUST BE SET TO PREVENT GOVERNMENT-OWNED FOREIGN AIRLINES FROM ENGAGING IN POSSIBLE UNFAIR PRICE-CUTTING AGAINST PRIVATELY OWNED U.S. CARRIERS.

IT APPEARS, THAT DESPITE SOME RESERVATIONS, THERE IS AMPLE SUPPORT FOR THE "OPEN SKIES" PRINCIPLE TO ENSURE THAT NEGOTIATIONS WILL BE PRESSED. THE POTENTIAL FOR INCREASED AIR TRAVEL IS GREAT. THE AIR TRANSPORT ASSOCIATION, POINTS OUT THAT PASSENGER TRAFFIC ON INTERNATIONAL FLIGHTS EMANATING FROM THE UNITED STATES INCREASED THIRTY-ONE PERCENT IN JULY FROM THE SAME MONTH LAST YEAR.

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